Michael J. Carbon, MD, who sits on the Board of Trustees of Loyola University Chicago, knew from the time he entered high school that he wanted to be a doctor. In 1965, after attending Loyola University Chicago, the University of Illinois, and the UIC College of Medicine, he made that dream a reality. With a transformational gift to the Center for Urban Environmental Research and Policy, Dr. Carbon and his wife Dorothy (MUND ‘62) have given current math and science students the opportunity to pursue their own dreams.

The prestigious Michael and Dorothy Carbon Scholars Program, funded by a lead trust, will enable Loyola’s top undergraduate math and science students to participate in interdisciplinary scientific research, develop leadership skills, and deepen their commitment to social responsibility. “Loyola has started a wonderful program that my wife and I feel can help young people advance their careers as well as develop research opportunities at the University,” says Dr. Carbon. As for choosing a lead trust to fund the program, Dr. Carbon explains that “it allows me to give more. Loyola receives the funds immediately, and at the end of the trust it comes back to the estate. It’s good for Loyola and good for my family.”

A lifelong Chicagoan, Dr. Carbon enrolled at Loyola in 1958, drawn to the school on the strength of the University’s science programs and pre-med curriculum. Dr. Carbon was immediately impressed by Loyola’s faculty. “Dr. Cassaretto was one of my favorite teachers. He taught chemistry to pre-meds and was such a wonderful person,” Dr. Carbon remembers. While studying at Loyola, Dr. Carbon went on a blind date arranged by some friends and met Dorothy, who was also a student at the time. More than forty years later, the couple has been blessed with four children and eleven grandchildren.

After finishing his bachelor’s degree at the University of Illinois and then graduating from the UIC College of Medicine in 1965, Dr. Carbon interned at Cook County Hospital for a year. He then spent two years in the Army, including one as a medical officer in Vietnam. After returning home, he went to the University of Miami and completed a residency in internal medicine and a fellowship in nephrology, a subspecialty in internal medicine that specializes in kidneys. He came back to Chicago in 1971 and practiced general medicine and nephrology in Aurora at the Dryer Medical Clinic until 1979. Then he joined the Nephrology Associates, a clinical practice and dialysis services group. By 2001, the business had 70 kidney centers caring for about 7,000 patients and was sold to a larger company. Dr. Carbon now focuses on administrative work within the practice.

Through the years, Dr. Carbon has increased his involvement with Loyola. “I’m a physician, and I did my pre-med at Loyola—that’s my attachment to Loyola and that’s why I wanted to donate. My wife, a

continued on next page
**Loyola alumni continued from page 1**

Mundelein alumna, also has a good relationship with Loyola,” he explains. In 2001, the College of Arts and Sciences granted Dr. Carbon a BS, but the relationship between Dr. Carbon and Loyola is deeper than a duty to an alma mater.

“Loyola was the foundation of my career. The teaching at Loyola was excellent, and the philosophy and theology classes were so important. I didn’t realize it then, but later I understood how important they were,” he says. Dr. Carbon believes that in today’s world, Jesuit education is vital to not merely teach young people technical skills, but to help them be successful, balanced human beings who can go out into the world and excel. The Michael and Dorothy Carbon Scholars Program will certainly contribute to student development for years to come.

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**Madonna della Strada Reborn**

After three years of renovation, Madonna della Strada Chapel has reopened and has never looked better. The new marble floor, altar, baptismal font, and artistic details fulfill the intentions of the chapel’s original architects and designers. The next time you are in the neighborhood, stop by. The chapel’s beauty is best appreciated in person.

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**With a charitable gift annuity, you can support Loyola University Chicago and receive benefits in return:**

- dependable, fixed payments for life
- payments received partially free of tax
- charitable deduction in the year of your gift

<table>
<thead>
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<th>Rate</th>
<th>Ages</th>
<th>Rate</th>
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<td>7.9%</td>
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Rates are subject to change. Gift annuities may not be available to residents of some states.

**Gift Annuity Rates**

With a charitable gift annuity, you can support Loyola University Chicago and receive benefits in return:
Benefit Loyola University Chicago and your family — with a gift of retirement funds

Retirement plans like IRAs, 401(k)s, 403(b)s, and other qualified retirement plans are among the best ways to save for a comfortable retirement. Contributions are sheltered from taxation in the year they are made, and the accumulated funds grow tax-free.

When funds are withdrawn, income tax will be paid by the recipient—by you while receiving distributions or by your beneficiaries after your death. If your total estate exceeds the estate-tax exemption amount, all your assets—including your retirement assets—may be subject to estate tax.

Combined, income and estate taxes could confiscate more than 60 percent of what you intend for beneficiaries. In fact, retirement-plan assets are likely to be the most heavily taxed assets that you can leave to heirs. Considering the potential tax bite, leaving retirement funds to heirs is like locking a favorite sweater in a closet with a couple of hungry moths: not much will be left by the time your kids inherit it.

The tax-free IRA rollover is set to expire

After a decade of near misses, the nation’s charitably minded individuals finally scored a significant win when Congress passed and the president signed the Pension Protection Act of 2006 (PPA 2006) into law. While the act implements important pension-reform measures, it also creates a new and exciting gift-planning opportunity to make gifts from your IRA and exclude the amount of your gifts from gross income. To qualify:

- You must be 70½ years of age or older;
- The transfers must go directly from your IRA to qualified charities;
- Your gifts cannot exceed a total of $100,000 per year; and
- Your gifts must be outright.*

This opportunity is available until the end of 2007, and the gift does not qualify for a charitable tax deduction.

*Transfers to supporting organizations, donor-advised funds, and charitable remainder trusts and for charitable gift annuities do not qualify.

Law allows tax-free giving from IRAs through 2007

You may benefit greatly from PPA 2006 if:

- You are required to take minimum withdrawals.
- You have already made the maximum donation for allowable charitable deductions.
- You are subject to the 2 percent rule that requires that itemized deductions be reduced.
- You are subject to the alternative minimum tax (AMT) and are taking mandatory withdrawals from your IRA.
- You live in a state where a charitable deduction is not available for state tax purposes.
- You do not itemize.
- Your major assets reside in your IRA.

As you can see, PPA 2006 has made lifetime transfers of IRA assets a more viable option, but what about the rest of your retirement-plan assets? It is likely that these remaining funds make up a large portion of your estate.

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**If you die with $500,000 in your IRA**

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<thead>
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<th>IRA given to Loyola</th>
<th>IRA to family</th>
<th>No gift</th>
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<tbody>
<tr>
<td>Your $2,500,000 estate ($500,000 IRA)</td>
<td>Your $2,500,000 estate ($500,000 IRA)</td>
<td>Your $2,500,000 estate ($500,000 IRA)</td>
</tr>
<tr>
<td>$2,000,000 of other assets</td>
<td>$0 estate tax</td>
<td>$0 income tax</td>
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<tr>
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<tr>
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<td>Loyola $500,000</td>
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<tr>
<td>$500,000 IRA</td>
<td>$0 estate tax</td>
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<td>$225,000 estate tax</td>
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</tbody>
</table>

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*This provision has so many benefits that it has allowed me to increase my charitable giving by 44 percent.*

—Jim Haberkorn (BSC '56)
Choosing the right asset to benefit Loyola University Chicago

If you are planning to benefit us at death, consider designating Loyola as beneficiary of some or all of your retirement-plan benefits. You will likely save more taxes when giving these assets compared to gifts of securities, real estate, and other investments. Here’s why:

- Your testamentary gift to us of your retirement-plan benefits avoids income taxes because Loyola is tax-exempt.
- Your gift also qualifies for an estate-tax deduction, ensuring that your heirs will receive more of your other assets.
- To make this gift, simply contact the administrator of your retirement plan and request a beneficiary-designation form. You designate Loyola as the beneficiary of part or all of your retirement-plan assets. That’s it! You don’t have to change your will.

It’s that easy! With a few strokes of a pen, you can be sure that the assets will be paid directly to Loyola University Chicago and will not be subject to estate tax or income tax. You have the satisfaction of making a significant charitable gift at relatively little cost to your heirs and knowing that your money is helping Loyola with its mission.

The flow chart on page 3 illustrates how a person with an estate consisting of $2,500,000 that includes an IRA valued at $500,000 can make a gift of the IRA to Loyola at a cost of only $178,750.

Save the date!

Information Commons Grand Opening and Dedication Ceremony
Friday, December 7, 2007, 12:00 p.m.–3:00 p.m.
Lake Shore Campus between Cudahy Library and Madonna della Strada
- Stop by and check out the University’s new cutting-edge library facility and the future academic center of campus. This environmentally friendly structure is expected to earn silver-level Leadership in Energy and Environmental Design (LEED) certification.

NYC School of Law Alumni Reception
Thursday, January 3, 2008, 6:30 p.m., Sheraton New York Hotel and Towers, for more information please call Elizabeth Suffredin at 312.915.7373 or e-mail at esuffre@luc.edu.

Ready to help you

When you have questions about making a gift to Loyola University Chicago, the planned giving team is ready to answer them. Please call or write us at:

Loyola University Chicago
Office of Planned Giving
820 N. Michigan Avenue
Chicago, IL 60611
800.424.1513
plannedgiving@luc.edu

We are here to help

This issue of Generations has presented several attractive ways to make a charitable gift of your retirement-plan funds to Loyola. Please do not hesitate to contact us if you would like more information or have questions.

To assist in your planning, we would like you to have a complimentary copy of our latest booklet, Charitable Tax Planning with Retirement Funds. To request your copy, simply return the card or call our office.

Generations is published by the Office of Planned Giving at Loyola University Chicago on a periodic basis. This publication illustrates general concepts and ideas in tax and estate planning. The articles are not intended as legal services or advice. You should consult with competent tax and legal professionals as to the applicability of any items to your personal situation.